



**ADOPT CHAPTER 2.5, Division 4, Title 9, CCR, AS SHOWN BELOW:**

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**CHAPTER 2.5. SUBSTANCE ABUSE**  
**AND**  
**CRIME PREVENTION ACT OF 2000**

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**§ 9500. Application of Chapter.**

- (a) The regulations in this Chapter shall apply to all counties, county agencies, and public and private contractors receiving funds or claiming reimbursement pursuant to the Substance Abuse and Crime Prevention Act of 2000 (hereinafter referred to as “the Act”).
- (b) All counties, county agencies, and public or private contractors receiving funds or claiming reimbursement pursuant to the Act shall comply with the provisions of this Chapter and the Act.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Substance Abuse and Crime Prevention Act of 2000, and Section 11999.4, Health and Safety Code.

**§ 9505. Definitions.**

(a) The following definitions shall apply to terminology used in this Chapter and in the Act:

- (1) “Allowable costs” means the costs specified in Section 9530.
- (2) “Days” means calendar days unless noted otherwise.
- (3) “Department” means Department of Alcohol and Drug Programs.
- (4) “Department’s administrative costs” means the Department’s reasonable and necessary costs incurred in administration and implementation of the Act, as approved through the annual State budget process.
- (5) “Drug treatment program” means a program licensed or certified by the Department of Alcohol and Drug Programs pursuant to Chapter 10.5 (commencing with Section 11750) of the Health and Safety Code.
- (6) “Drug treatment services” means the services described in Section 1210(b) of the Penal Code.
- (7) “Equitable distribution formula” means the formula for distribution of funds specified in Section 9525.
- (8) “Family counseling” means counseling with individuals, couples, or groups which examines interpersonal and family relationships. Such counseling shall be provided by an individual licensed in accordance with Sections 4980 through 4981 of the Business and Professions Code.
- (9) “Funds” means funds for implementation of the Act received from the Substance Abuse Treatment Trust Fund established pursuant the Section 11999.4 of the Health and Safety Code.
- (10) “Literacy training” means instruction and information presented in an individual or group setting to increase literacy skills and reading comprehension.
- (11) “Miscellaneous costs” means any costs associated with implementation of the Act except costs for drug testing.
- (12) “Trust fund” means a special trust fund established at the state and county levels for allocation and expenditure of funds in accordance with Section 11999.6 of the Health and Safety Code.
- (13) “Vocational training” means instruction and information presented in a group setting to increase opportunities for gainful employment.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Substance Abuse and Crime Prevention Act of 2000 and Sections 11999.4, 11999.5, 11999.6, 11999.7, 11999.8, 11999.9, 11999.10, 11999.11, 11999.12, and 11999.13 of the Health and Safety Code.

**§ 9510. Administration of the State Substance Abuse Treatment Trust Fund.**

The Department shall administer a special fund known as the “Substance Abuse Treatment Trust Fund” pursuant to Section 11999.4 of the Health and Safety Code. These funds shall be used to:

- (a) Fund the Department’s administrative costs associated with implementation of the Act;
- (b) Increase collaboration and coordination among county alcohol and drug program administrators, probation departments, courts, and impacted community parties to demonstrate that substance abuse treatment has a positive effect on public safety; and
- (c) Fund provision of and placement in drug treatment services, vocational training, family counseling, and literacy training at the county level for adult offenders convicted of nonviolent drug possession offenses pursuant to Sections 1210(a) of the Penal Code or found to have committed a nonviolent drug possession offense pursuant to Section 3063.1 of the Penal Code and related administrative costs.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Section 11999.4 through Section 11999.6, Health and Safety Code.

**§ 9515. County Request for Funds.**

- (a) All counties in California shall request funds to implement the Act.
- (b) In order to receive funds for Fiscal Year 2000-2001, the county Board of Supervisors shall submit to the Department a Board resolution, Board minutes, order, motion, or ordinance that:

  - (1) Identifies a county lead agency responsible for administration of the funds, and
  - (2) States that the county agrees to comply with the provisions of the Act and the requirements of this Chapter.
- (c) The county shall submit the Board resolution, Board minutes, order, motion, or ordinance no later than March 1, 2001.
- (d) The county shall submit the Board resolution, board minutes, order, motion, or ordinance to the Director, Department of Alcohol and Drug Programs, 1700 K Street, Sacramento, CA 95814.
- (e) The county shall establish a trust fund at the county level and shall deposit all funds received pursuant to the Act into such trust fund.
- (f) Upon completion of the county plan required in Section 9520(a), the county Board of Supervisors shall approve the plan and submit it to the Department.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Section 11999.6 and Section 11999.7, Health and Safety Code.

**§ 9520. Responsibilities of County Lead Agency.**

The county lead agency identified in the county Board resolution, Board minutes, order, motion, or ordinance, as specified in Section 9515(b) shall:

- (a) Coordinate the development of a county plan for implementation of the Act, including collaboration with all county agencies involved in implementation of the Act, including but not limited to the county alcohol and drug program office, probation department, and courts;
- (b) Directly provide and/or contract for the provision of authorized services specified in the Act;
- (c) Administer funds received by the county pursuant to the Act;
- (d) Coordinate data collection and quarterly reporting to the Department in accordance with the requirements of this Chapter.
- (e) Coordinate evaluation of county programs in accordance with the requirements of this Chapter.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Section 11999.6, Health and Safety Code.

**§ 9525. Distribution of Funds from the Trust Fund.**

- (a) The Department shall reserve up to one half of one percent (0.5%) of funds available in the state trust fund for a long-term evaluation as specified in Section 11999.10 of the Health and Safety Code.
- (b) The Department shall subtract any amounts withheld pursuant to (a) of this regulation as well as its administrative costs from the funds available in the state trust fund to determine the amount of funds available to counties.
- (c) Fifty percent (50%) of available funds shall be distributed as follows:

  - (1) Each county shall receive a base allocation of \$2,500 for every \$1 million available after the adjustments in (b) above.
  - (2) The Department shall increase each county's base allocation by an amount to be determined as follows:

    - (A) The Department shall compute the total of statewide base allocations as described in (c)(1) for all counties receiving funds and subtract this total amount from the available funds.
    - (B) After calculating the amount in (c)(2)(A) and subtracting the total from (c), the Department shall distribute the remaining balance by a proportion for each county, which shall be determined by dividing the county's total population by the total statewide population as shown in annual statistics obtained from the California Department of Finance.
- (d) Twenty-five percent (25%) of available funds shall be distributed in accordance with the formula shown below:

  - (1) The Department shall divide total drug arrests in each county for the period January 1, 1999 through December 31, 1999 by the total number of drug arrests statewide for the same time period. The Department shall obtain drug arrest statistics from the California Department of Justice's Bureau of Criminal Statistics.
  - (2) The Department shall multiply the proportion determined for each county by the formula shown in (d)(1) by twenty-five percent (25%) of available funds.
- (e) Twenty-five percent (25%) of available funds shall be distributed as follows:

  - (1) The Department shall divide the number of individuals receiving drug treatment services in each county on November 1, 1999 by the total number of individuals receiving drug treatment services statewide on the same date. The Department shall determine how many individuals are receiving drug treatment statewide and in each county based on statistics obtained by the Department through its client data collection system.

(2) The Department shall multiply the proportion determined for each county by the formula shown in (e)(1) by twenty-five percent (25%) of available funds

(f) The Department shall distribute funds to counties via warrant (check) issued by the State Controller.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Section 11999.6, Health and Safety Code.

**§ 9530. Allowable Costs and Activities.**

- (a) The county and any public or private contractors shall use funds in accordance with the provisions of the Act and the requirements of this Chapter.
- (b) The county shall use funds allocated for Fiscal Year 2000-2001 to develop county programs to implement the Act by:

  - (1) Planning and coordinating county activities needed to begin providing drug treatment, literacy training, family counseling and vocational training services in order to implement the Act by July 1, 2001; and
  - (2) Expanding existing drug treatment programs or developing new drug treatment programs in the county.
- (c) Funds may be utilized by:

  - (1) The county alcohol and drug program office, courts, and probation department.
  - (2) Licensed and/or certified public and private contractors providing drug treatment services in the county under the Act.
  - (3) Family counseling, vocational training, and literacy training agencies.
- (d) During Fiscal Year 2000-2001 counties and public or private contractors may use funds for the following expenditures in order to develop, expand, or implement start-up of public or private drug treatment services in the county:

  - (1) Administrative, consultant, and staff salaries and benefits including:

    - (A) Annual leave, sick leave, holidays, court leave, and military leave,
    - (B) Employer contributions to employee medical insurance, pensions, unemployment benefits, and worker's compensation insurance;
  - (2) Utilities such as heat, gas, and electricity;
  - (3) Taxes;
  - (4) Insurance;
  - (5) Mortgage interest;
  - (6) Rent;
  - (7) Employee training costs;
  - (8) Repairs, maintenance, and housekeeping; and

- (9) Purchase of minor equipment. As used in this regulation, “minor equipment” means an article of nonexpendable, tangible personal property having a useful life of less than one year or an acquisition cost of \$5,000 or less.
- (A) Any equipment purchased with funds shall be used in accordance with Section 11999.6 of the Health and Safety Code.
- (B) Contractors shall obtain written approval from the county prior to purchasing equipment.
- (10) Minor remodeling. As used in this regulation, “minor remodeling” means work needed to change the interior arrangement or other physical characteristics of an existing building to meet the programmatic needs of drug treatment programs.
- (A) Work necessary to obtain an initial occupancy permit or work which increases the material value of the building shall be considered construction, rather than minor remodeling, and shall not be reimbursable with funds.
- (B) The total cost of minor remodeling shall not exceed \$100,000 for residential programs. For purposes of this regulation, “residential programs” means residential alcoholism or drug abuse recovery or treatment facilities as defined in Section 10501, Title 9, CCR. The total cost of minor remodeling shall not exceed \$50,000 for all other drug treatment programs.
- (C) Any remodeling shall ensure that the altered portions of the building are accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, pursuant to Section 36.402, et seq., Title III of the Americans with Disabilities Act of 1990 (ADA), Title 42 U.S. Code Section 12181 and the implementing Title III regulation, at Title, Code of Federal Regulation 28 C.F.R. Part 36, and Article 9.5 (commencing with Section 11135), Chapter 1 of the Government Code.
- (D) Contractors shall obtain written approval from the county prior to commencement of minor remodeling.
- (11) Annual audits of contractors.
- (e) The county and any public or private contractors shall not use funds for purchase of land, purchase or construction of buildings, or any construction not defined as minor remodeling.
- (f) The county shall comply with county procedures for procuring property, obtaining consulting services, and awarding contracts.
- (g) The county shall expend funds in accordance with guidelines for allowable and allocable costs as contained in federal OMB Circular A-87. Private contractors shall expend funds

in accordance with the guidelines for allowable and allocable costs as contained in federal OMB Circular A-122.

(h) The county shall monitor and document activities to ensure that:

(1) Use of funds:

(A) Complies with the provisions of the Act and this Chapter.

(B) Complies with county procedures for procuring property, obtaining consulting services, and awarding contracts.

(2) Funds are not used to supplant funds from any existing fund source or mechanism currently used to provide drug treatment services in the county.

(i) The county shall include the requirements stated in this regulation in all agreements receiving funds under this Chapter.

(j) In providing services reimbursed with funds under this Chapter, the county shall comply with Article 9.5 (commencing with Section 11135), Chapter 1 of the Government Code.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Section 11999.12, Health and Safety Code

**§ 9535. County Records and Reporting Requirements.**

- (a) For the Fiscal Year 2000-01 funds, within 30 days from the end of each quarter, the county shall submit to the Department a written financial status report describing how the county's funds were spent during the three-month period immediately preceding the report (i.e., for the quarter ending March 31, 2001, the report will be due April 30, 2001). The county shall submit the written reports on the Quarterly Financial Status Report, Substance Abuse and Crime Prevention Act (Form ADP10087, new 12/00), which is hereby incorporated by reference. The submittal of the written reports by the county shall continue until all funds received for Fiscal Year 2000-01 have been obligated and expended.
- (b) On a monthly basis by the 20<sup>th</sup> of each month following the month in which the county receives funds, the county shall submit to the Department a written report describing the county's progress in assuring that county services will be available to implement the Act.
- (c) The county shall establish and maintain accounting and fiscal records that identify the source and expenditure of all funds. The county shall maintain documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract and award documents, etc., to support such records and shall make such records available to the Department for audit upon request.
- (d) The county shall maintain fiscal control and accounting procedures in accordance with generally accepted accounting principles. Such accounting procedures shall be sufficient to:

  - (1) Permit the preparation of the reports required in this regulation, and
  - (2) Track expenditure of funds to ensure that such funds were used in accordance with the requirements of this Chapter and the Act.
- (e) The county shall retain all records documenting use of funds for a period of three years from the end of the fiscal year or until completion of the Department's annual audit and resolution of any resulting audit issues if the audit is not resolved within three years.
- (f) The county shall include the record keeping and reporting requirements established in this regulation in every agreement for county services for services to implement the Act.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Sections 11991.6 and 11999.12, Health and Safety Code.

**§ 9540. Departmental Audit of Expenditures and Audit Appeals.**

- (a) The Department shall audit county expenditure of funds annually to monitor compliance with the provisions of this Chapter and the Act.
- (b) The Department shall audit county expenditure of funds in accordance with generally accepted governmental auditing standards as described in “Government Auditing Standards (1994 Revision)” published for the United States General Accounting Office by the Comptroller General of the United States. “Government Auditing Standards (1994 Revision) is available upon written request from the United States General Accounting Office, Washington, DC 10548.
- (c) Counties and contractors shall make available all accounting and fiscal records pertaining to expenditure of funds upon written request from the Department for auditing purposes in accordance with Article 8 of this Chapter.
- (d) Counties may appeal audit findings in accordance with the provisions of Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2 of the Government Code.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Sections 11991.6 and 11999.12, Health and Safety Code

**§ 9545. County Audit of Contractors.**

- (a) Counties shall annually audit contractors with whom they have agreements and who expend \$300,000 or more in funds provided under the Act to ensure compliance with the provisions of the Act, the requirements of this Chapter, and the county terms and conditions under which the funds were awarded. Counties may, at their discretion, conduct such audits, contract for the performance of such audits, or require the contractors to obtain such audits.
- (b) The audit shall be conducted in accordance with generally accepted government auditing standards as described in “Government Auditing Standards (1994 Revision)”, published for the United States General Accounting Office by the Comptroller General of the United States.
- (c) The annual audit shall be completed and the county shall submit a written audit report to the Department within 30 days of completion, but no later than 9 months after the end of each state fiscal year ending June 30<sup>th</sup>.
- (d) The written audit report shall establish whether the contractor expended funds in accordance with the provisions of the Act, the requirements of this Chapter, and the county terms and conditions under which the funds were awarded.
- (e) Any county contractor who is required to obtain a single audit pursuant to OMB Circular A-133 is also required to be audited under the Act, shall ensure that the single audit addresses compliance with the requirements of the Act. The county shall rely on the single audit as fulfilling its responsibilities in Section 9545(a).
- (f) Audit work papers supporting the report shall be retained for a period of three years from the issuance of the audit report and shall be made available to the Department upon request.

NOTE: Authority cited: Section 11755, Health and Safety Code. Reference: Sections 11991.6 and 11999.12, Health and Safety Code

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